



City of Gaithersburg

31 South Summit Avenue
Gaithersburg, Maryland 20877

Mayor and City Council Annual Budget Forum Agenda
City Hall - Council Chambers
Monday, February 11, 2013, 7:30 PM

Revised

I. CALL TO ORDER

II. STAFF PRESENTATION

- A. Fiscal Year 2014 Annual Budget Forum
(*Strategic Directions, Financial Report, Economic Factors, Budget Issues*)

III. ADJOURNMENT

IV. CORRESPONDENCE

- A. From Staff
- B. Outside Correspondence

To confirm accessibility accommodations, please contact Doris Stokes at 301-258-6310, or email DStokes@gaithersburgmd.gov.

Please turn off all cellular phones and pagers prior to the meeting. Hand held signs brought may not be displayed in a manner which disrupts the meeting, blocks the view of spectators or cameras and poses a safety concern [e.g., signs mounted on stakes]. Your cooperation is appreciated.

ANNOUNCEMENTS

The next Mayor and City Council Regular Session will be held Tuesday, February 19, 2013, at 7:30 PM.

Call to Order

Staff Presentation

MAYOR & COUNCIL AGENDA COVER SHEET

MEETING DATE:

February 11, 2013

CALL TO PODIUM:

Tony Tomasello, City Manager

RESPONSIBLE STAFF:

Tony Tomasello, City Manager
Harold Belton, Director of
Finance and Administration

AGENDA ITEM:

(please check one)

	Presentation
	Proclamation/Certificate
	Appointment (Reappointments)
	Public Hearing
	Historic District
	Consent Item
	Ordinance
	Resolution
	Policy Discussion
	Work Session Discussion Item
X	Other: Budget Forum

PUBLIC HEARING HISTORY:

(Please complete this section if agenda item is a public hearing)

Introduced	
Advertised	
Hearing Date	
Record Held Open	
Policy Discussion	

TITLE:

Fiscal Year 2014 Annual Budget Forum

SUPPORTING BACKGROUND:

In advance of the FY 2014 Mayor and City Council Retreat, public input on budget priorities for fiscal year 2014 (July 1, 2013 through June 30, 2014) is being sought.

Staff will present a brief PowerPoint providing an overview of the budget and identifying economic factors and other issues that could impact the budget. Following the presentation an opportunity will be provided for public input.

Note: The 2013 Mayor & Council Retreat is scheduled to be held on Monday, February 25, 2013, from 6:30pm to approximately 10:00pm at the Gaithersburg Upcounty Senior Center (80A Bureau Drive). Public input is not taken during the retreat session.

DESIRED OUTCOME:

Hear presentation and receive public input.

Annual Budget Forum

Mayor and City Council

February 11, 2013



Agenda

- Strategic Directions
- FY 2012 Annual Financial Report
- Economic Factors
- Budget Issues
- Mayor and City Council Annual Retreat
- Public Input on FY 2014 Budget Priorities

Strategic Directions

- City Administration
- Communications
- Community Services
- Economic Development
- Infrastructure and Facilities
- Parks, Recreation and Culture
- Planning and Development
- Police
- Sustainability
- Transportation



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FY 2012

Annual Financial Report

- Revenue
- Expenditures
- Fund Balances

Revenue

- Total FY 2012 Actual vs. Budget:
- Budget - \$48,223
- Actual - \$54,024 (\$5,801 above budget)
 - Summary of the additional revenue:
 - Taxes - \$497
 - Licenses & Permits - \$1,961
 - Income Tax - \$1,531
 - Fines & Forfeitures - \$2,175
 - All Other - \$363

Expenditures

- Total FY 2012 Budget vs. Actual:
- Budget - \$47,979
- Actual - \$45,144 (\$2,835 below budget)
- Summary of unexpended budget:
 - General Government - \$769
 - Public Safety - \$140
 - Public Works - \$371
 - Parks, Recreation & Culture - \$266
 - Contingency - \$555
 - All Other - \$734

Fund Balances

- Operating
 - Beginning Fund Balance at 07/01/2011 – \$43,245
 - Net Change to Fund Balance at 06/30/2012 - \$8,879
 - Ending Fund Balance at 06/30/2012 - \$52,124
- CIP
 - Beginning Fund Balance at 07/01/2011 – \$29,533
 - Net Change to Fund Balance at 06/30/2012 – (\$889)
 - Ending Fund Balance at 06/30/2012 - \$28,644

Economic Factors

- Federal Budget Uncertainty
- State & County Budget Issues
- Health Care Reform

Federal Budget Uncertainty

- “Sequestration” remains an option for addressing federal budget issues
 - Potential revenue loss
 - Timing of impacts
- Direct revenues to the City are limited
- Regional economy is disproportionately tied to federal spending
 - Potential income tax reductions
 - Reduced business investment & expansion
 - Lower real property assessments (especially commercial)

State & County Budget Issues

- State of Maryland is close to closing its structural budget deficit
 - Some municipal revenues may be partially restored in FY 2014
 - Transportation funding formula is elusive
- County facing \$75mm to \$100mm projected shortfall next year
 - Maintenance of effort regulations constrain budget decisions
 - Income tax recovery has been sluggish
 - Demand for restoration of reduced services is high
- City is not as dependent on Intergovernmental revenues; long-standing partnerships have diminished



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Health Care Reform

- Implementation is rapidly approaching
- Economic impact is still uncertain; employer costs are widely predicted to rise
- May need to offer health benefits to employees not previously covered
- A number of strategies to mitigate potential financial impact being considered



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FY 2014

Budget Issues

- Personnel Growth
- Replacement Fund Balances
- GASB 34 – Infrastructure Maintenance
- Facilities & Capital Plan

Personnel Growth

- Hiring necessarily restricted for several years
- Important City functions are in danger of lagging from desired service delivery levels and/or response times
 - Community Services
 - Development Review
 - Recreation Programs
 - Facility Maintenance
 - Information Technology
 - Administration
- Proposed FY 2014 Budget is expected to include a number of new positions to address strategic needs



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Replacement Fund Balances

- Long-standing policies were modified in response to recession
- Replacement schedules were extended to reduce contribution levels
- Vehicles and larger equipment reaching the end of useful lives
 - Some replacement accounts not fully funded
- Multi-year approach to restoration of balances

GASB 34 – Infrastructure Maintenance

- Requires local governments to report the value of their infrastructure assets (roads, bridges, etc.) on an accrual basis
- Intended to improve the accountability of governments by providing better information about the condition and costs of assets
- Prioritizes maintenance and preservation
- FY 2014 budget will include substantial funding for these types of projects to address deferred maintenance issues and ensure compliance

Facilities & Capital Plan

- Capital Improvements Plan (CIP) in need of evaluation & re-prioritization
- Capacity (new project) and maintenance/renovation (existing facilities) aspects to new plan
- Substantial funding allocated to static projects presents an opportunity to launch new projects quickly
- Current operating factors —
 - Personnel growth
 - Security needs
 - Deferred maintenance
- Major topic for M&CC Retreat

Mayor and City Council Annual Retreat

- Date/Time: Monday, February 25, 2013
at 6:30 p.m.
- Location: Gaithersburg Upcounty Senior
Center (80A Bureau Drive)
- Topics: Strategic Plan and Capital Plan
- Public comment will not be taken during
the retreat



Adjournment

Correspondence

Staff Presentation

QUINCE ORCHARD PARK COMMUNITY MEETING

TUESDAY, FEBRUARY 12TH, 2013

7 P.M.

**QUINCE ORCHARD COMMUNITY CENTER
500 HIGHLAND RIDGE ROAD**

Topics:

- **Update on Vistas Construction**
- **Expansion of MedImmune**
- **Commission on Common Ownership Communities**
- **Crime Summary**
- **Any Issue of Concern to the Community**

**Mayor Katz, City Council Members,
and Staff will be available
for questions and comments.**



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A CHARACTER COUNTS! CITY

For information call Monica Sanchez,
Intergovernmental Affairs Coordinator, at 301-258-6310
or msanchez@gaithersburgmd.gov

Outside Correspondence



MONTGOMERY COUNTY, MARYLAND

News Release

St/housing fair.pr

For Immediate Release: January 7, 2013

**Montgomery County Announces 13th Annual
Housing Fair and Financial Fitness Day;
Sponsors and Exhibitors Invited**

The Montgomery County Department of Housing and Community Affairs (DHCA) invites realtors, property managers, homeowner associations, housing developers, assisted living communities, businesses, banks, credit unions, government agencies, community organizations and nonprofits to be sponsors and exhibitors at the 13th Annual Montgomery County Housing Fair and Financial Fitness Day. The fair will take place on Saturday, April 27, from 10 a.m. to 3 p.m. at the Bohrer Park Activity Center, Summit Hall Farm, 506 S. Frederick Ave., Gaithersburg.

Sponsors receive recognition for their organization depending on the level of sponsorship. Some examples include special recognition in local newspapers and on local radio and TV shows; special mention in the housing fair program; and display of their logos on Ride On buses, street banners and posters distributed in both English and Spanish at schools, bus stops and other locations throughout the county. The exhibit fee amount is tailored to the type of organization: corporations, businesses and banks; realtors and credit unions; government and education groups; and 501(c)3 nonprofits. Exhibitors are encouraged to register before April 5 to receive a reduced rate. Last year more than 90 sponsors and exhibitors participated and more than 1,200 people attended.

Again this year, the fair will offer on-site loan modifications from lenders, as well as free assistance by certified housing counselors and attorneys with experience in dealing with housing issues. Residents who wonder if they qualify for state funds made available in a settlement that affects some Maryland homeowners will receive answers to their questions about eligibility. Many useful resources will be available, including free credit reports and information on managing money, credit and utilities.

“We welcome anyone with housing needs – whether longtime or newly-arrived residents to the County,” said Myriam Torrico, DHCA administrator of Community Programs. “The fair provides helpful and reliable information to many constituencies including those who rent or own their home, seniors exploring their housing options, young families deciding whether to rent or buy, persons interested in refinancing for the first time or those who might have been rejected by their lenders for mortgage relief. Information on new federal and state programs offering foreclosure prevention assistance will be provided as well as information on what we are doing at the local level to help residents stay in their homes.”

The fair is organized by the Montgomery County Department of Housing and Community Affairs in partnership with the Housing Fair Planning Committee, whose members include: the cities of Gaithersburg, Rockville and Takoma Park; Asian American Homeownership Counseling; Housing and Community Initiatives, Inc.; Housing Initiative Partnership, Inc.; Housing Opportunities Commission; Latino Economic Development Corporation; Maryland Department of Housing and Community Development; Montgomery County Department of Health and Human Services; Montgomery County Department of Recreation; Montgomery County Office of Human Rights; and the office of U.S. Congressman Chris Van Hollen.

To become a sponsor or exhibitor, contact Myriam Torrico at 240-777-3627 or email myriam.torrico@montgomerycountymd.gov.

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Program Contact: Myriam Torrico, 240-777-3627

Media Contact: Sue Tucker, 240-777-6507

NOTICE

TO: Adjacent and Confronting Property Owners, and Members of Homeowners and Civic Associations

FROM: EYA/CSP Associates, LLC

DATE: February 1, 2013

RE: Pre-Submittal Meeting on the Site Plan Application for Shady Grove Station-West Side

You are invited to attend a pre-submittal meeting on the referenced Site Plan (Shady Grove Station-West Side) scheduled for Wednesday, February 13, 2013 at 7:30 p.m. at the Maryland-National Capital Park and Planning Commission Training Center, 16641 Crabbs Branch Way, Rockville, Maryland 20855. The property that is the subject of the Site Plan application consists of approximately 44.82 acres of land and is bounded by railroad tracks owned by CSX Transportation to the west, Shady Grove Road to the north, Crabbs Branch Way to the east, and land owned by the Washington Metropolitan Area Transit Authority to the south. The Site Plan proposes the redevelopment of the property with residential and non-residential uses. The purpose of this meeting is to explain the Site Plan application and to hear your comments prior to filing the Site Plan application with the Montgomery County Planning Board.

In order to appropriately accommodate all attendees, please e-mail McLean Quinn at mquinn@eya.com by Friday, February 8 if you will be attending this meeting.

Thank you.